

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY
in
Greige Polyester Cotton Printcloth from China, Inv. No. 731-TA-101 (Second Review)

On June 4, 2004, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c).¹

The Commission received a single response from two domestic producers, Alice Manufacturing Co., Inc. (“Alice Manufacturing”) and Mount Vernon Mills, Inc. (“Mount Vernon Mills”) (collectively, “domestic producers”) to its Notice of Institution. The Commission determined that the domestic producer responses were individually adequate. The Commission also determined that the responses were an adequate domestic interested party group response because the two producers account for a significant share of domestic production of a domestic like product referenced in the Commission’s Notice of Institution, 69 Fed. Reg. 9640, 9641 (Mar. 1, 2004), namely greige polyester/cotton printcloth in chief value of cotton. The Commission did not receive a response from any respondent interested party. Consequently, the Commission determined that the respondent interested party group response was inadequate.

The Commission found that domestic like product issues and changes in the conditions of competition for the industry warranted conducting a full review. The domestic producers advocate that the Commission define the domestic like product to be greige polyester/cotton printcloth in chief *value* of cotton, as the Commission had defined it in the original determination, but not as the Commission had defined the domestic like product in the first five-year review, as greige polyester/cotton printcloth of chief *weight* cotton. The Commission’s like product definition in the first review reflected a change in Commerce’s definition of the merchandise subject to investigation. The Commission found that the urging by the domestic producers to alter the like product definition in the first review warranted re-examining the domestic like product definition. The Commission further found that changes in the conditions of competition for the domestic industry warranted conducting a full review. For example, the domestic producers reported that 300 domestic mills producing greige/polyester cotton printcloth have closed over the past five years.

Therefore, the Commission did not exercise its discretion to conduct an expedited review, but instead determined to conduct a full review. A record of the Commissioners’ votes is available from the Office of the Secretary and the Commission’s web site (<http://www.usitc.gov>).

¹Commissioner Miller is not participating in this second five-year review.